

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
Forward-Looking Mechanism for)	CC Docket No. 97-160
High Support for Non-Rural LECs)	

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OFFICE OF THE SECRETARY

**COMMENTS OF AMERITECH
REGARDING MISCELLANEOUS ASPECTS OF COST MODEL**

Ameritech¹ submits these comments on miscellaneous aspects of a potential model for the calculation of forward-looking costs that are supported by the universal service mechanism in states that elect not to submit cost studies.²

III.C.2 Platform: Outside Plant Investment

b. Installation and Cable Costs

The Commission has requested comment on input values concerning material and installation cable costs.³ Ameritech has submitted under separate cover, with a request for confidential treatment, Attachment A which contains

¹ Ameritech means: Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, and Wisconsin Bell, Inc.

² In the Matter of Federal-State Joint Board on Universal Service, Forward-Looking Mechanism for High Cost Support for Non-Rural LECs, CC Docket Nos. 96-45, 97-160, Further Notice of Proposed Rulemaking, FCC 97-256 (released July 18, 1997) ("FNPRM").

³ ¶ 68.

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copper material prices paid by Ameritech that include state sales taxes and transportation expenses. Ameritech has also submitted under separate cover, with a request for confidential treatment, Attachment B which contains fiber material prices paid by Ameritech that include state sales taxes and transportation expenses.

III.D Support Areas


The Commission has requested comment on whether the support should be provided according to geographic areas other than the geographic areas used to calculate cost.⁴ Ameritech recommends that the Commission adopt exchanges as the support areas. The exchange is the appropriate serving or support area for several reason. First, exchange boundaries are defined and well-known. Second, the use of exchanges strikes a balance between an overly larger support area that might serve as a barrier to competition and overly small areas that would be difficult to administer, would have no relation to telecommunications networks, and have no relation to any economic community of interest. In contrast, the use of the CBG as a support area would be administratively difficult and economically meaningless in terms of telecommunications.

⁴ ¶176.

IV. Support for Local Usage.

The Commission also seeks comment on the level of local usage that should be included in the cost for supported services.⁵ Ameritech recommends that all non-toll usage included in the local state tariffs of Ameritech should be included in the cost for supported services.

Respectfully submitted,


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Dated: October 17, 1997
[MSP0076.doc]

⁵ ¶179.

Attachment A
(Material submitted under
separate confidential cover)

Attachment B
(Material submitted under
separate confidential cover)

CERTIFICATE OF SERVICE

I, Todd H. Bond, do hereby certify that a copy of the foregoing Comments of Ameritech Regarding Miscellaneous Aspects of Cost Model has been served on the parties listed on the attached service list, via first class mail, postage prepaid, on this 17th day of October, 1997.

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